

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: PCB PIE 17-04 Local Government Lobbyist Registration Trust Fund

SPONSOR(S): Public Integrity & Ethics Committee

TIED BILLS: PCB PIE 17-03 **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
Orig. Comm.: Public Integrity & Ethics Committee		Kiner	Rubottom

SUMMARY ANALYSIS

The bill creates the Local Government Lobby Registration Trust Fund within the Commission on Ethics. The trust fund's purpose is to administer the Local Government Lobbyist Registration System, with annual registration fees collected to fund the administration of the program, including the payment of salaries and expenses.

Pursuant to the Florida Constitution, the trust fund shall be terminated on July 1, 2021, unless terminated sooner. Prior to its termination, the trust fund must be reviewed as provided in s. 215.32016(1) and (2), F.S.

The only fiscal impact will be the deposit into the trust fund of annual local government lobbyist registration fees.

The bill becomes effective on the same date PCB 17-03, relating to Local Government Ethics Reform, or similar legislation, becomes effective, if such legislation is enacted in the same legislative session or an extension thereof and becomes law.

A bill proposing to create a trust fund must be passed by three-fifths of the membership of each house of the Legislature.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Present Situation

Trust Fund Creation and Review

Article III, s. 19(f)(1) of the Florida Constitution requires a trust fund of the State of Florida or other public body be created or re-created by law in a separate bill. The bill creating or re-creating the trust fund must pass with a three-fifths vote of the membership of each house of the legislature.

Article III, s. 19(f)(2) requires trust funds to terminate not more than four years after the effective date of the act authorizing the initial creation of the trust fund. By law, the legislature may set a shorter time period for which any trust fund is authorized.

Section 215.32016(1) and (2), F.S., require the agency responsible for the administration of the trust fund and the Governor, for executive branch trust funds, or the Chief Justice, for judicial branch trust funds, to recommend to the President of the Senate and the Speaker of the House of Representatives whether the trust fund should be allowed to terminate or should be re-created. Each recommendation must be based on a review of the purpose and use of the trust fund and a determination of whether the trust fund will continue to be necessary. A recommendation to re-create the trust fund may include suggested modifications to the purpose, sources of receipts, and allowable expenditures for the trust fund. If the trust fund is terminated and not immediately re-created, all cash balances and income of the trust fund shall be deposited into the General Revenue Fund.

State Lobbyist Registration Systems

Florida law requires a person who wishes to lobby the executive branch to register as a lobbyist with the Commission on Ethics prior to lobbying.¹ Similarly, the Florida Legislature, by rule, requires a lobbyist who wishes to lobby either house of the legislature to register with the Lobbyist Registration Office in the Office of Legislative Services.² In addition to these registration requirements, lobbying firms must file quarterly compensation reports for each quarter in which at least one of their lobbyists were registered to represent a principal.³

As of February 2017, there were over 1,300 lobbyists registered to lobby the executive branch on behalf of over 3,200 principals.⁴ As of February 2017, there were over 1,700 lobbyists registered to lobby the legislature on behalf of over 3,500 principals.⁵ Currently, the executive branch has 1.5 FTEs to administer registrations, including oath authorization, and compensation reports. The legislature has 2 FTEs to administer registrations and compensation reports.

Each lobbyist registration program has a dedicated trust fund whereby registration fees must be used to administer the program. The executive branch lobbyist registration fee is \$25 per principal.⁶ The legislature's annual lobbyist registration fee is \$50 for the first registration and \$20 for each additional registration. If a lobbyist is registering before only one chamber, the annual fee is \$25 for the first registration and \$10 for each additional registration. As of February 2017, the Executive Branch Lobbyist Registration Trust Fund had \$1,135,123 cash on hand, while the Legislative Lobbyist Registration Trust Fund had \$1,379,440 cash on hand.

¹ S. 112.3215, F.S.

² Joint Rule 1.1(1)

³ SS. 11.045(3)(a)1. and 112.3215(5)(a)1., F.S.

⁴ See statistics on registered lobbyists on the Florida Lobbyist Registration & Compensation website at www.floralobbyist.gov (last viewed 2/12/2017).

⁵ Id.

⁶ Rule 34-12.200, F.A.C., implementing s. 112.3215(4), F.S..

Executive Branch Lobbyist Registration Trust Fund										
	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY11-12	FY12-13	FY 13-14	FY 14-15	FY 15-16
Beginning Cash Balance	595,084	631,757	733,949	833,081	901,796	944,303	1,002,123	1,052,516	1,060,646	967,265
Revenues Collected	182,600	201,525	201,025	189,515	194,175	205,025	201,825	230,530	261,830	254,250
Disbursements	145,927	99,333	101,893	120,800	151,668	147,206	151,432	222,400	355,210	216,183
Excess (Deficiency) of Revenue over Disbursements	36,673	102,192	99,132	68,715	42,507	57,819	50,393	8,130	(93,380)	38,067
Ending Cash Balance	631,757	733,949	833,081	901,796	944,303	1,002,123	1,052,516	1,060,646	967,265	1,005,333
Legislative Branch Lobbyist Registration Trust Fund										
	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY11-12	FY12-13	FY 13-14	FY 14-15	FY 15-16
Beginning Cash Balance	792,074	797,934	838,507	889,603	936,720	993,658	1,117,279	1,230,248	1,270,080	1,230,775
Revenues Collected	254,137	252,435	256,746	245,680	246,545	260,580	247,845	265,830	278,600	283,355
Disbursements	248,277	211,862	205,650	198,563	189,606	136,959	134,877	225,998	317,905	223,197
Excess (Deficiency) of Revenue over Disbursements	5,860	40,573	51,096	47,117	56,938	123,621	112,968	39,832	(39,305)	60,158
Ending Cash Balance	797,934	838,507	889,603	936,720	993,658	1,117,279	1,230,248	1,270,080	1,230,775	1,290,933

Effect of Proposed Changes

The bill creates the Local Government Lobby Registration Trust Fund within the Commission on Ethics. The trust fund's purpose is to fund the administration of the local government lobbyist registration program, including the payment of salaries and other expenses.

The bill requires the trust fund to be reviewed as provided in s. 215.32016(1) and (2), F.S. These provisions of law would require the Commission on Ethics to review the trust fund and recommend to the President of the Senate and the Speaker of the House of Representatives whether the trust fund should be allowed to terminate or should be re-created.

B. SECTION DIRECTORY:

Section 1 creates s. 112.32613, F.S., relating to the creation of the Local Government Lobby Registration Trust Fund.

Section 2 provides an effective date.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

The only fiscal impact will be the deposit into the trust fund of fees authorized pursuant to the Local Government Lobbyist Registration System. The revenue generated from annual registrations will be used to administer the registration program, including the payment of salaries and other expenses.

2. Expenditures:

The Commission will expend funds flowing into the trust fund to administer the Local Government Lobbyist Registration System, including the payment of salaries and other expenses.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable.

2. Other:

Article III, s. 19(f)(1) of the Florida Constitution requires a trust fund of the State of Florida or other public body be created or re-created by law in a separate bill. The bill creating or re-creating the trust fund must pass with a three-fifths vote of the membership of each house of the legislature.

Article III, s. 19(f)(2) requires trust funds to terminate not more than four years after the effective date of the act authorizing the initial creation of the trust fund. By law, the legislature may set a shorter time period for which any trust fund is authorized.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES